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December 24, 2008

**BY E:MAIL**

Jonathan Hughes, Esq.  
Barclays Capital Inc.  
200 Park Avenue  
New York, NY 10166

**Re: Data Access and TSA Issues**

Dear Jonathan:

This letter is written on behalf of LBHI. As we mentioned to you during our call yesterday, LBHI believes that there are a number of problems with BarCap's performance under the TSA that require an immediate action plan and clear timetable for resolution.

I understand that both parties have made efforts to narrow the gap – for example, LBHI has made significant progress with LBI and LBIE to develop a document confirming that BarCap can share with each of those entities commingled data without liability to the others and BarCap has confirmed that data from before September 22, 2008 will be made available to LBHI – but LBHI believes that there is much work to be done.

Set out below are a number of commitments with timelines for completion. If you believe these timelines are not feasible, please propose times to which BarCap can commit:

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Commitment	Time for Resolution of Initial Backlog of Existing Requests	Resolution Time for Receipt of Information and New Requests
BarCap to provide all data and systems access subject to a pending request (as described in the attached "System Access & Shared Drive – Daily Update") or, where it cannot provide access by the specified date, the obstacle to providing the access and a firm deadline for resolving the problem.	December 31, 2008	N/A
BarCap to provide a status report of all data access requests awaiting approval of BarCap legal including the name of the lawyer responsible for review, any currently identified obstacles to providing access and a firm deadline for resolution other than as set forth below.	December 31, 2008	N/A
BarCap to provide full interactive access <sup>1</sup> to data in the General Ledger, Accounts Payable, Accounts Receivable and similar financial systems that contain LBHI pre-closing or post-closing data.	December 31, 2008	Five business days for addition of new systems or new personnel.
BarCap to provide segregated interactive access to data in BarCap systems that contain sensitive personal information of third parties (such as human resources systems)	January 31, 2009	Five business days for segregation of new systems or addition of new personnel.
BarCap to immediately cease terminating access rights for LBHI personnel without prior notice to LBHI and an opportunity for LBHI to challenge the termination (except in cases of genuine emergency such as to prevent a crime).	December 31, 2009	N/A

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<sup>1</sup> The TSA required BarCap to continue existing full interactive access to all systems for a period of 90 days – LBHI never received the benefit of that provision and believes the 90 days will start when systems access consistent with that in place as of the September 22 closing is restored.

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BarCap to provide interactive access to systems that have already been analyzed for commingled data issues	December 31, 2008	Five business days for addition of new systems or new personnel.
BarCap to provide interactive access to systems that have not yet been analyzed for commingled data issues.	January 31, 2009	Five business days for addition of new systems or new personnel.
BarCap to use commercially reasonable efforts to assist in the migration to alternative systems	December 31, 2008 and ongoing thereafter	N/A
BarCap to complete the cash reconciliation backlog and price 100% of the open and terminated derivative trades and thereafter maintain cash reconciliation and derivative pricing processes on a current basis.	March 1, 2009	N/A
Complete the September 19 and 30, 2008 financial closings.	Within 30 days of completion of the derivative pricing and cash reconciliation effort	Subsequent month-end closes within 15 days after the end of the month.
Complete the September 15, 2008 financial closing.	January 15, 2009	N/A

Where BarCap believes it cannot provide interactive access to a system hosting legacy Lehman data or such access will be delayed from the above timetables, we expect, where feasible, for BarCap promptly to advise LBHI of the specific reason that access cannot be provided or is delayed.

Naturally, we assume all other services and support currently being provided under the TSA will continue to be provided.

As you know, Bryan believes that the delays they have experienced in receiving data to which they are entitled under the letter and spirit of the TSA is materially and adversely hampering (and in some instances preventing) the proper management of the LBHI estate. The delays in resolving the data issues are impacting value realization by the estate as the continued failure to receive data belonging to LBHI

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on a timely basis makes responsible, informed decision making impossible. It also prevents effective dialogue with the various constituencies to whom he is responsible, including the Creditor's Committee. As a result Bryan believes a clear agreement with respect to these issues, including delivery commitments, is now critical. Last night, Bryan personally instructed me to make certain conflicts counsel, Curtis Mallet, were fully briefed and prepared to seek to enforce the TSA next week unless a prompt and satisfactory response to this letter is received and that you were aware of such instructions and preparations.

Please call me once you have had an opportunity to review this letter. I can be reached over the holidays at 914-473-4933.

Sincerely,



cc: Alvarez & Marsal (Bryan Marsal)  
Curtis Mallet (Lynn Harrison)  
Weil Gotshal & Manges (Harvey Miller)  
Weil Gotshal & Manges (Jeffrey Osterman)